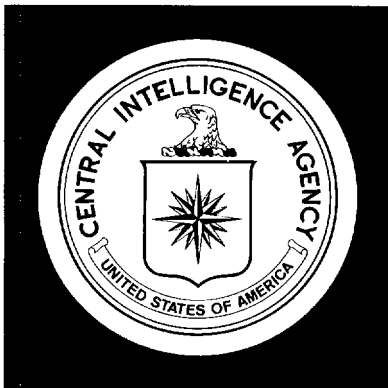


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DIRECTORATE OF  
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# *Central Intelligence Bulletin*

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**Nº 041**

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CSCE: The Soviets are engaged in an extensive series of bilateral consultations with Western governments with the clear aim of winning support for Moscow's positions on a Conference on Security and Cooperation in Europe.

In these consultations, the Soviets have sought basic agreement on procedural matters so that the preparatory talks, scheduled to begin on 22 November in Helsinki, will proceed smoothly and rapidly. In particular, the Soviets are anxious to avoid CSCE agenda disputes that could threaten agreement on beginning the actual conference.

In their references to the procedures and agenda of the conference, which they hope will begin next June, the Soviets have reiterated known positions. They favor a three-stage conference--foreign ministers, working groups, and a culminating meeting at the "highest level." They want the conference to produce a declaration of principles that would endorse Soviet views on non-use of force and inviolability of frontiers. They wish to lump "cultural relations" with agenda items on economic and scientific matters. From the Soviet viewpoint, this would reduce the likelihood of conflict over Western plans to inject a "freer movement" item. Moscow also advocates having the conference form a permanent body to continue its work and perhaps plan future sessions.

The Soviets have clearly stated their insistence on keeping talks on mutual and balanced force reductions separate from the CSCE. They even hope to keep so-called "confidence-building" measures, such as advance notification of military maneuvers, from being considered at the CSCE. The attempt to exclude complex and probably contentious military matters from the CSCE is related to Moscow's desire for a relatively brief conference devoted essentially to general principles. During the recent visit to Moscow of Italian Prime Minister Andreotti,

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Foreign Minister Gromyko was overheard reminding Premier Kosygin that the CSCE would have to conclude by the time that formal MBFR talks began. Kosygin had earlier told Andreotti that MBFR negotiations should begin in November 1973, which would set a limit of four or five months for CSCE. A start in November would represent some slippage from earlier Soviet proposals to hold MBFR talks in September or October.

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EGYPT: President Sadat's domestic problems may be aggravated by the removal of War Minister Sadiq.

There are no indications that Sadiq is planning a comeback, but the regime probably is apprehensive about such a possibility. As a figure of considerable consequence, Sadiq represents a potential rallying point for antiregime malcontents. At the time of the announcement of Sadiq's replacement, civilian and military police units reportedly were alerted.

Rumors of a purge in the armed forces were generated by Sadiq's removal, and the head of the Egyptian Navy, who was considered to be close to Sadiq, was replaced. Although a wider shakeup might succeed in removing Sadiq's allies from sensitive positions, it could also increase dissatisfaction within the armed forces.

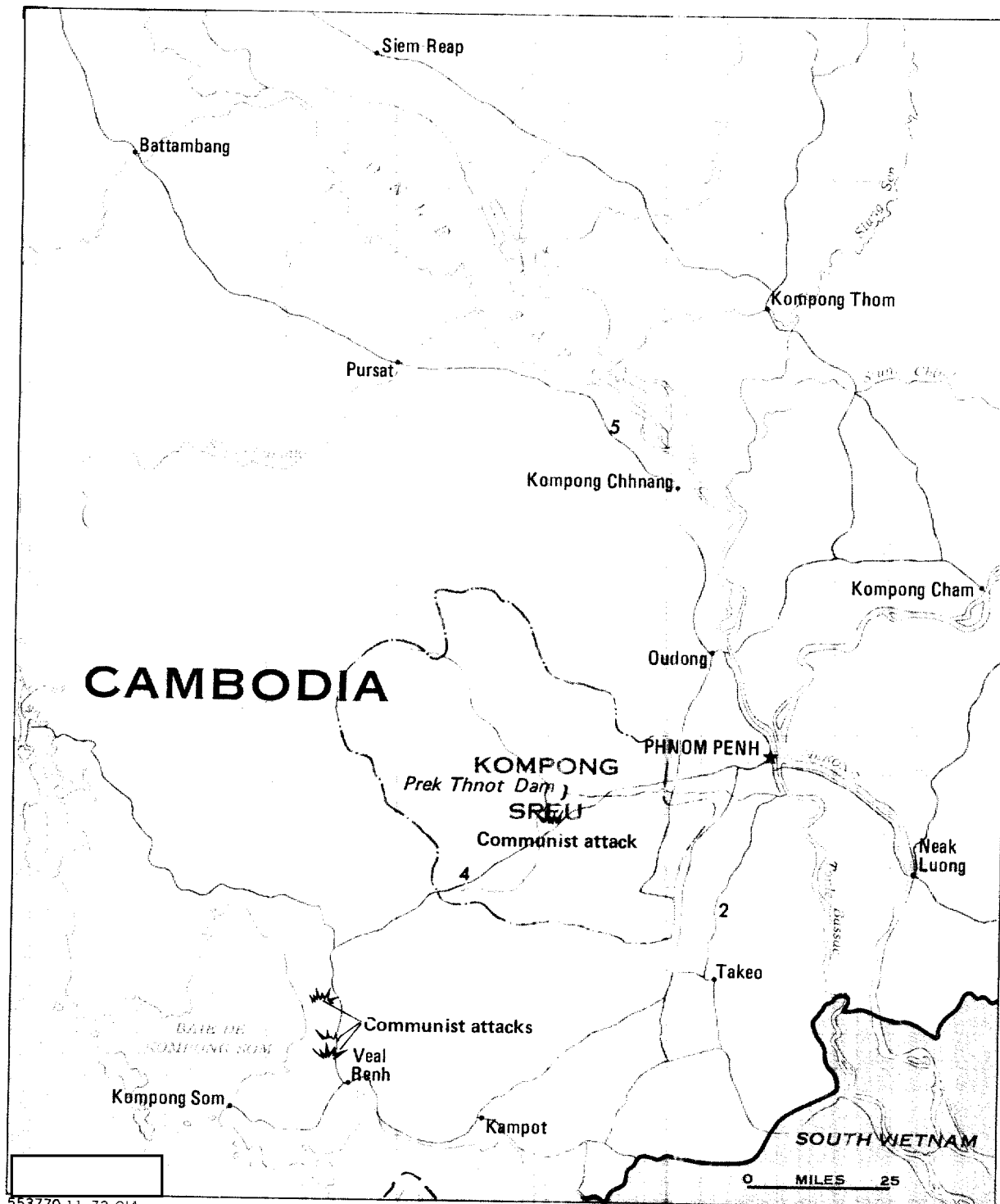
Sadiq's removal may also contribute to a cooling of relations with Libya. President Qadhafi reportedly is close to Sadiq and might be inclined to support a bid for his reinstatement. At a minimum, Sadiq's replacement is likely to add to Qadhafi's disquietude over Cairo's recent moves to encourage a thaw in relations with the Soviet Union. [REDACTED]

[REDACTED]

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CAMBODIA: The Communists are beginning to put pressure on Route 4, Phnom Penh's only overland link to its seaport at Kompong Som.

Two widely separated government positions on the highway were attacked by Communist troops on 1 November. At the same time, the Communists shelled several Cambodian positions north of the road near the Prek Thnot dam in Kompong Speu Province. Government reinforcements reportedly have been dispatched to help clear the two short stretches of Route 4 that the Communists now control.

These attacks, apparently mounted by Khmer Communists, are the first significant Communist military activity along Route 4 since May 1971. The Khmer Communists have indicated that they intend to step up harassment of the government's main lines of communication.

Any sustained campaign against Route 4 would further tax the capabilities of the Cambodian Army, which thus far has been unable to break the Khmer Communists' hold over portions of Routes 2 and 5. A prolonged closure of Route 4 would cause additional serious supply problems for the Lon Nol government in view of its increasing dependence on this highway for deliveries of imported rice, military equipment, and other goods.

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WEST GERMANY: The handling of the Lufthansa hijacking on 29 October is beginning to evoke a partisan political reaction that could affect the parliamentary election on 19 November.

Christian Social leader Strauss has characterized the government's handling of the hijacking as inept. Strauss echoed the line of the influential conservative Springer newspaper Die Welt, which complained that Bonn has now endangered the reconciliation with Israel without any offsetting improvement in relations with the Arab world. Die Welt also predicted that West Germany would continue to be a target for terrorist extortion. Christian Democratic chancellor-candidate Barzel has called for a thorough investigation of the affair.

Initial public reaction overwhelmingly supported the release of the Munich terrorists as the government's only recourse under the circumstances if the lives of the Lufthansa passengers were to be saved. Although this feeling remains dominant, the government is vulnerable to criticism of the poor communications between "crisis staffs" in Bonn and Munich, the role Lufthansa officials played by default in the affair, and inadequate security precautions in general.

Developments in relations with Israel and the Arab states in the next few days could also be important for German public opinion. Israel followed up its severe criticism of the release of the Olympic terrorists by recalling its ambassador for consultations. Bonn has asked Libya to extradite the hijackers and has warned other Arab governments that renewed terrorism against West Germany could affect bilateral relations. At this point, however, German officials and Israeli diplomats in Bonn do not expect the hijacking to become a serious impediment in West Germany's relations with the Middle East.

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KOREA: [Seoul is taking no chances that proposed constitutional reforms will fail to receive enthusiastic popular endorsement.]

[The government has banned virtually all political discussion of the draft constitution that was released on 27 October and will go to national referendum on 21 November. Several newspaper executives have already been placed under house arrest for questioning government tactics. President Pak is orchestrating an intensive propaganda campaign to drum up support for the new reforms; leading political personalities and representatives of the media have been dragooned into making public statements supporting the referendum.]

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The public has remained largely indifferent despite the fact that the proposed constitution creates an extremely strong executive with unlimited tenure, broad authority over weakened legislative and judicial branches, and considerable latitude to alter national policy goals. President Pak has attempted to assuage any domestic concerns by appealing to Korean nationalism, claiming that his actions are intended to preserve Korean independence and further the chances of national unification. In his proclamation announcing the new constitution, Pak said South Korea can no longer imitate the "democratic institutions of others" and stressed the need to establish a uniquely Korean system. Pak has also threatened to break off the negotiations with the North on unification if the new constitution fails to receive approval.

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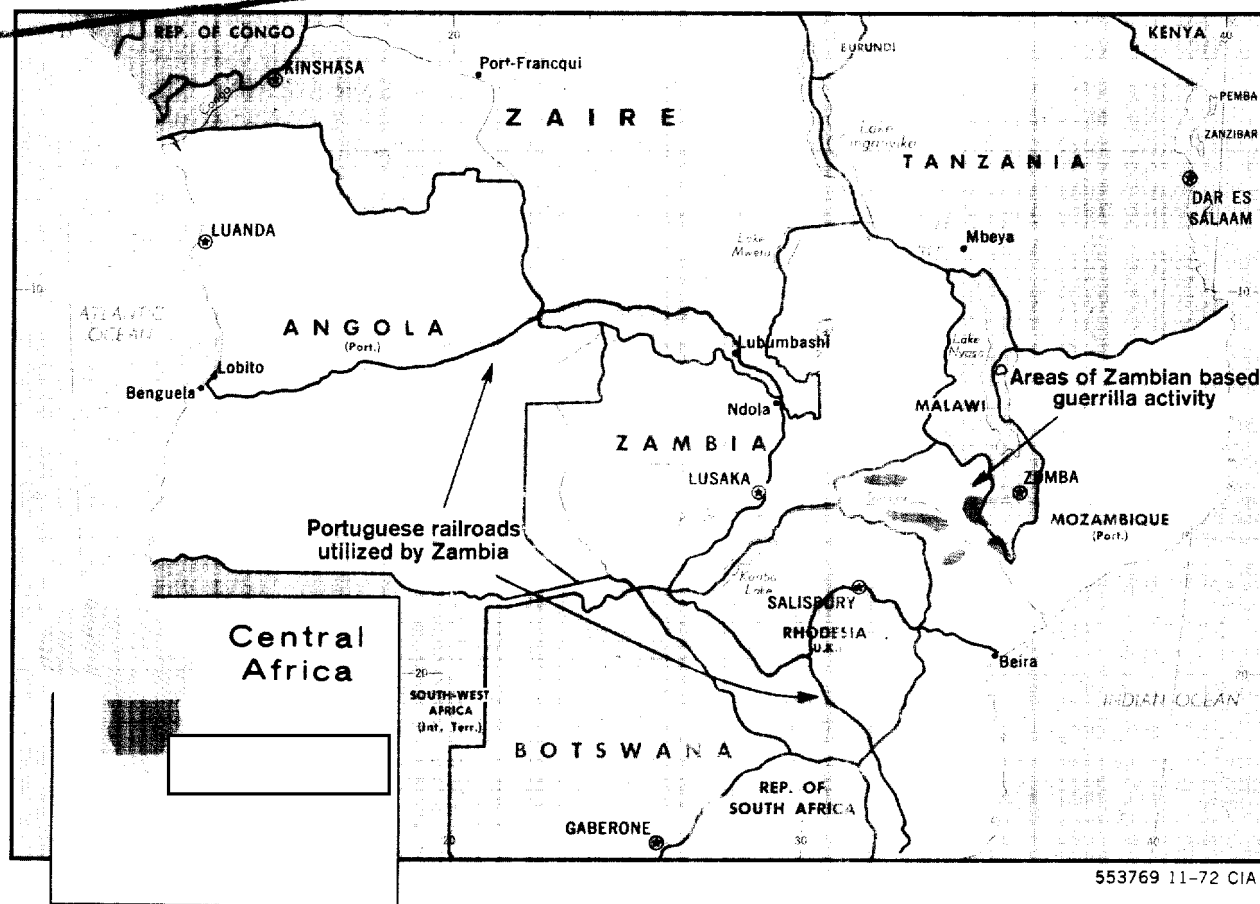
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ZAMBIA-PORTUGAL: Private talks apparently will soon be held in another attempt to ease strained relations between the two countries.

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Zambian President Kaunda's special assistant for foreign affairs hopes to go shortly to Malawi for discussions with the Portuguese ambassador to that country. Relations between Zambia and Portugal reached a low point last year when Lisbon stopped shipments of vital Zambian grain imports over Portuguese African railroads for several months in retaliation for Zambia-based guerrilla operations into Mozambique.

Both governments probably welcome the chance to talk things over. Kaunda has a special need to avoid trouble with the Portuguese at this time. He is now wrestling with the problems of deteriorating government finances and the political controversy that has arisen over turning Zambia into a one-party state.

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The Portuguese are concerned over a recent increase in guerrilla activity in northwestern Mozambique, and they may feel that this is a good time to urge Kaunda to curb the guerrillas. The talks will give them a chance to explore possible alternatives to economic and military retaliation which they have often employed--without lasting success--to pressure Kaunda.

These discussions are not likely to lead to a permanent improvement in relations, however. The record of Zambian-Portuguese negotiations indicates that both sides are willing to make limited concessions to serve immediate needs, but that neither government is willing to compromise on basic issues.

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ISRAEL-SYRIA: The Israelis have moved more troops, tanks, armored personnel carriers, and 175-mm. artillery into the Golan Heights, [REDACTED]

[REDACTED] This movement may be related to Israeli maneuvers, but could also be in anticipation of further Syrian artillery attacks or to alert Damascus that Israeli forces are prepared for any eventuality. Israel is likely to continue to use air strikes against targets in Syria, both in retaliation for Syrian artillery attacks and as part of Tel Aviv's policy of pre-emptive attacks against the fedayeen. Any ground operation, however, would probably be limited primarily to helicopter-commando raids, considering Tel Aviv's desire to limit Israeli casualties. [REDACTED]

\* \* \* \*

EAST GERMANY: The government yesterday released 165 prisoners to West German authorities, with more expected today. This was the first increment of perhaps several thousand prisoners who probably will be released in the next two months under the terms of a broad amnesty declared earlier this month on the 23rd anniversary of the GDR. Most of the prisoners are East German citizens who were convicted of relatively minor crimes. Some, including yesterday's batch, are West German citizens. The amnesty is one of several measures Pankow has taken in recent weeks to improve inter-German relations, and thus assist Chancellor Brandt in his re-election bid. [REDACTED]

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PERU: The outlook for major foreign investments in the petroleum industry improved further last week when a US company announced a significant discovery in its first drilling attempt in the eastern Amazon basin. Occidental Petroleum Company was the first of 14 foreign companies to sign joint-venture exploration contracts with the state oil company--Petroperu--and the first to commence drilling operations. Petroperu has drilled six test holes, three of which were successful. Additional companies are likely to be attracted by Occidental's find, and the pace of exploration and development will accelerate. Because the oil found has a low sulfur content, Peru will have no difficulty marketing all the oil it can produce once a trans-Andean pipeline can be completed. [REDACTED]

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